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SENSITIVE

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TAGS: EAID PGOV ECON AORC GV
SUBJECT: WORLD BANK RESREP INCREASINGLY FRUSTRATED WITH
GUINEA'S RULING JUNTA

¶1. (SBU) SUMMARY. On January 21, World Bank Country Manager Siaka Bakayoko met with PM Kabine Komara to discuss a number of issues related to ongoing World Bank programs in Guinea. Topics they discussed included a dispute over payment for upcoming financial audits of the government sector, the ballooning size of the cabinet, and a car purchased with World Bank funds that had been recently commandeered by the military. Bakayoko said he left the meeting frustrated, angry, and with the conviction that he does not "have a clue who's running the government." END SUMMARY.

DADIS PROMISES WORLD BANK FUNDS FOR AUDITS...WITHOUT ASKING

¶2. (SBU) Earlier this week, CNDD President Dadis Camara announced several audits of government institutions which he promised that the World Bank would fund. Upon hearing this, World Bank Country Manager Siaka Bakayoko requested a meeting with Prime Minister Kabine Komara to tell him that that the Bank had never been approached about financing any audits. In fact, Bakayoko said the Bank currently has no fund from which it could allocate the money. The PM countered that Dadis Camara really meant that the junta would soon approach the Bank about the possibility of securing funds for that purpose. Bakayoko responded, "But that's not what he said in his speech."

TOO LARGE A CABINET

¶3. (SBU) Bakayoko similarly questioned the prime minister about the ballooning size of his cabinet. Though the PM had privately promised to reduce the number of ministers from 36 to about 20, the new cabinet contains 33 ministers, with three new ministers announced only this week (septel). Bakayoko told Econoff that the PM tried to justify the new members, but "was not very convincing." The Resrep said he was worried that the large number of ministers could jeopardize the government's repeated promises of fiscal responsibility and an upcoming WB loan payment due at the end of January.

PROJECTS ON HOLD

¶4. (SBU) In an effort to avoid the appearance of supporting the recent coup, Bakayoko told Econoff that WB Headquarters had recently instructed him "to avoid to the extent possible" any dealings with the CNDD junta. However, headquarters authorized interactions with the prime minister and his civilian cabinet. Additionally, he said his headquarters has

placed on hold all World Bank projects--both those in the implementation stages and in the pipeline. He also noted that the military junta recently had frozen the local bank accounts of all World Bank implementing partners. Partners use these accounts to receive project funds from the Bank, and cannot continue even day-to-day operations without them. The CNDD has also frozen many accounts held by groups working on European Union development projects.

¶ 15. (SBU) Bakayoko noted that the Bank is continuing to coordinate its response to ongoing events with ECOWAS. He said the Bank would not resume its programs until either the CNDD left power or until a broad spectrum of civil society leaders had signaled that civilian control was imminent.

WORLD BANK VEHICLE IMPRESSED INTO DADIS' MOTORCADE

¶ 16. (SBU) According to Bakayoko, what angered and frustrated him most about the meeting was the PM's reaction to a recent military theft. About one week ago, soldiers reportedly commandeered at gunpoint a small truck that the World Bank had purchased for a local partner. When the group tried to present evidence of ownership to officials at Camp Alpha Yaya, soldiers there told them in no uncertain terms that they could not recover the vehicle. The PM told Bakayoko that he would have his cabinet chief look into the matter, a response that infuriated Bakayoko and suggested to him that the prime minister was now effectively under the military's thumb. The truck has reportedly been sighted taking part in

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presidential motorcades.

COMMENT

¶ 17. (SBU) Bakayoko's attitude toward his work has undergone a marked change since his arrival in country. Though upbeat about the prospects for Guinea's future only four months ago, recent events seem to have had a significant sobering effect. Throughout the conversation, his tone veered between shock at the "military boys'" growing impunity to frustration with governmental disorganization in general. Bakayoko said he left his meeting with the PM feeling frustrated, angry, and with the conviction that he does not "have a clue who's running the government." END COMMENT.

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